

LIA.review@justice.nsw.gov.au

Re: 'Local Impact Assessment Review: Discussion Paper'

Thank you for allowing us to provide input into this Review.

Overview

We are responsible gaming operators in this industry across Sydney metropolitan and regional areas of NSW.

We have also seen the effects that problem gambling has had on a extremely small % of our patrons. With this in mind, I believe it gives us a unique voice when talking about 'harm minimisation measures' and the 'balanced development' of the industry.

It's important to understand that the industry already has an extremely rigorous harm minimisation legislative framework, which has been successful in minimising harm and ensuring those problem or at risk problem gamblers obtain help, as evidenced by the reduction in the per capita problem gambling rate in the state.

Focus should continue on ensuring 'problem gambling counselling' is readily available and marketed and funded whenever gaming is allowed in NSW. i.e. focus on those that genuinely need help.

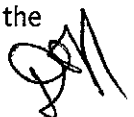
With the industry changing and the advent of the internet, internet casino gambling poses a severe risk to problem gamblers as it is essentially an unregulated market as compared to regulated gaming facilities at hotels and clubs, and should be considered as part of this review. There are no community benefits to online casino gambling as opposed to gambling in hotels and clubs (further discussion on this is provided below)

The current LIA system does not satisfy the objects of the Gaming Machine Act of allowing the 'balanced development'. We believe that the industry can develop in a balanced way, whilst still ensuring that harm is minimised.

Issues to be considered with the current 'Local Impact Assessment' legislation as well as factors which should be taken into consideration when reviewing the existing legislation.

1. Rate of problem gambling (problem gamblers per population) are relatively consistent throughout the state of NSW. Whilst some areas have higher expenditure on EGM, this in most cases doesn't mean a higher rate of problem gambling. Therefore regulators should be able to have consistent legislation across the state, supporting the need to abolish LGA Bands and implementing a simple 'positive contribution test', as the current harm minimisation legislation is rigorous and is working.

2. The NSW per capita EGM per population rate is decreasing. As the NSW population grows the number of gaming machines in the State decreases due to the 'forfeiture legislation'. The per capita EGM rate will decrease more rapidly as the state of NSW works towards its population growth forecasts.
3. Education and harm minimisation measures should be focused on the harm minimisation measures, not restricting transfer of gaming machines between venues (which decreases the number of machines in the state).
4. By allowing the freer movement of EGM's between venues, this would accelerate the reduction of gaming machines in the state due to the 'forfeiture scheme' satisfying the objective of the Act to decrease the number of machines in the state.
5. Helping Problem gamblers by education and counselling should be the focus of the harm minimisation legislation. Maybe trialling 'mobile problem gambling counsellors'
6. Focus should be on how to educate the community on the harms of problem gambling, where to get help and ensure that help is available and is effective. In higher risk areas additional money should be spent on education and problem gambling counsellors.
7. By refusing LIA applications, community groups are starved from much needed funds which would flow to the community as a condition of the LIA being approved. Community groups are frustrated by this process as it affects their budgeting and capital works programmes due to the uncertainty of the current legislation framework around LIA 2 applications.
8. Some local councils have policies where they are to oppose any additional machine applications in their LGA, which clearly isn't consistent with the 'balanced development of the industry'.
9. LGA cross border gaming machine spend. We are of the understanding that the biggest gaming club in the state has 60% of its members within the Fairfield LGA and approximately 40% from the Liverpool LGA. Even though Mounties is situated in the Fairfield LGA, approximately 1km from the Liverpool LGA and Fairfield LGA border, it makes it almost impossible for Mounties to acquire further gaming machines under the existing legislation as it's in a Band 3 LGA. Mounties is a world Class venue, run by industry leading management. Mounties, and for that matter other hotels and clubs within the Fairfield LGA should not be penalised for running professional clubs that are successful, pay extremely large sums of tax (gaming, Gst, company, land tax, payroll tax) as well as funding / sponsoring many community groups / sporting groups.
10. The fact that practically no LIA 2 have been approved, would suggest that the legislation is not working. The industry is not experiencing 'balanced development'. The legislation is extremely subjective with no clear framework on what community contribution needs to be made to allow a LIA 2 to be successful. The cost of putting these applications together by the applicant, as well as the huge cost of assessing these applications by government



departments and authorities, suggests that there is clearly a better way to ensure the 'balanced development of the industry' whilst ensuring 'harm minimisation' measures are maintained, or even strengthened.

11. Council amalgamations have increased the need for OLGR to regularly update and reclassify the new councils into new LGA bands. With the stroke of a pen this benefits some venues in some LGA's and disadvantages other venues in other LGA's.
12. Due to the increase in the illegal internet casino's, less weight should be given now and into the future of shut down periods of gaming machines and should instead allow for hotels and clubs to more freely trade their entitlements, as a gambler can jump online and play internet casinos in NSW 24 hours a day, with no harm minimisation or balanced development of the industry in NSW.
13. The State and Federal Governments should ensure that there is a blanket ban on any internet casinos in Australia, by ensuring all IP addresses for all internet casinos are not able to be accessed whilst in Australia.

Put simply, a problem gambler could do severe harm to themselves and their family betting on a internet casino as opposed to a regulated hotel or club, whilst the online casino contributes nothing to the local community in which it operates. There are no harm minimisation measures on internet casinos and the government should further focus ensuring these sites are not allowed to be accessed in NSW (and Australia for that matter) due to:

1. Internet casinos aren't regulated. There is no regulated RTP (return to player), credit betting is allowed, inducements are allowed, gambling on credit cards is allowed
2. Internet casino's provide no community contributions like sponsoring sporting teams, PCYC, Schools etc
3. Internet casinos have no employment benefits, in fact if they are allowed to grow, will actually decrease employment in NSW.
4. Internet casinos don't pay gaming tax, gst, land tax, payroll tax, income tax, company tax etc. Many of these internet casinos are run by Eastern Bloc and Asian criminal gangs
5. Internet casinos provide no social benefits, interacting with staff and other patrons.
6. Internet casinos provide no benefit to industries which are benefited by the gaming industry e.g. building industry, accountants, solicitors, planners, insurance etc
7. Internet casinos have no harm minimisation signage, and underage's can access these sites with a few clicks of the button.

Regulators should focus on the harm and accessibility of internet gambling / casinos and ensuring that these sites IP addresses are blocked / restricted and aren't accessible to the population of NSW or Australia due to the issues outlined above.

Suggested Legislative Frame work regarding LIA's moving forward.

1. Additional harm minimisation measures. All venues with gaming machines in the state should be required to have external signs (the same as the OLGR u/18 signs, authorised area

signs) at entrances to hotel and gaming rooms with the 'NSW gambling Help line'. This would ensure that every gambler in the state clearly knows where to get help should they need it.

2. Keep the definition of 'local area' as Local Government Areas LGA's
3. Existing LGA bands should be reduced to Band 1 and Band 2. Band 3 LGA's should be abolished. Whilst we suggest existing LGA's bands should be kept, we note that no other jurisdiction in Australia has 'classification of high risk areas'. This would suggest it is harder to do business in NSW than in other jurisdictions around the state. Therefore reduction of LGA Bands from 3 to 2 is appropriate.
4. Band 2 Hotels should be able to apply for additional machines, so long as 'positive contribution' to the community is satisfied.
5. SEIFA disadvantage test should be taken into account when applications for new hotels or clubs, or existing hotels or clubs with no gaming machines, apply for gaming machines.
6. Ensure that existing and new hotels or clubs within suburbs in existing LGA band 2 areas, are only allowed an increase of up to an additional 10 EGM's for each 10 year period. If the hotel goes from 10 – 20 (an increase of 10), then the hotel couldn't increase to 30 until ten years. This would ensure that perceived areas with high numbers of machines and problem gambling don't become 'saturated with EGM's'.
7. There should be a clearer definition of 'positive contribution' which should focus on monetary consideration. This definition / guidelines should outline what the authority consider the dollar contribution for the 'positive contribution' is. An example could be a one off contribution of 25% of gaming machine profit after GST and gaming machine tax (based on the average of the three years)), thereby reducing the cost of compiling the application by the applicant, but just as importantly the cost of assessing the application by the authority.
8. Of this total 25% of gaming machine profit (based on the annual three year average mentioned above) (80% should be made in community 'positive community contributions' and 20% to Responsible Gambling Fund to be spent on education and harm minimisation measures in that LGA)
9. There should be no forfeiture between hotels / clubs if there is common ownership between the hotels / clubs.
10. Forfeiture scheme should continue, as by allowing poker machine trading more freely between venues, it will reduce the number of poker machines in the state. Hotels / clubs in proposed new Band 2 areas should be able to trade machines from other Band 2 areas (not just hotels / clubs within their own LGA)

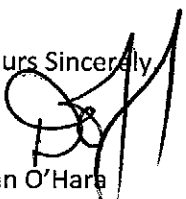


11. Country hotels / clubs should be allowed to sell entitlements to other country hotels and city hotels with no forfeiture and without restrictions on the number of entitlement blocks per year.
12. If gambling is conducted in a regulated environment which ensures harm is minimised, than the gaming machine act objective of balanced development can be satisfied.
13. By allowing the balanced development of the industry, it's more likely that this development would lead to benefits to the State of NSW including; increased taxes, increase employment levels, increased donations in a robust harm minimisation environment.

Please don't hesitate to contact me should you like clarification on any of the above.

Thank you for allowing us the opportunity to make a submission.

Yours Sincerely



Dan O'Hara

0402 214 679

dan@oharagroup.com.au

